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October 22, 2018

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Drive
Columbia, South Carolina 29210

RE: South Carolina Electric & Gas Company's Filing of Quarterly Monitoring Report for the twelve-month period ending March 31, 2018, and Proposed Rate Adjustments pursuant to the Natural Gas Rate Stabilization Act
Docket No. 2018-6-G

Dear Ms. Boyd:

On October 18, 2018, the South Carolina Office of Regulatory Staff ("ORS") filed with the Public Service Commission of South Carolina ("Commission") a Petition for Reconsideration or Clarification ("Petition") in the above-referenced docket, requesting that the Commission clarify its findings and conclusions stated in Order No. 2018-678 and adopt ORS's recommendation that the Commission require South Carolina Electric & Gas Company ("SCE&G" or "Company") "to record employee incentives capitalized as plant-in-service in an account other than Net Plant in Service such that employee incentives can be reviewed annually by ORS" in future Natural Gas Rate Stabilization Act ("RSA") filings.

The Company has reviewed the ORS's Petition and hereby objects and opposes ORS's request for reconsideration or clarification. The Commission was aware of the ORS recommendation given that the recommendation was plainly stated in ORS's audit report ("Audit Report") in this docket and the Commission accepted the ORS accounting adjustments contained in the Audit Report. SCE&G interprets the Commission's exclusion of the recommendation from Order No. 2018-678 to be a rejection of the ORS recommendation, and ORS has provided no accounting standard or other basis to support either its initial request or its request that the Commission reconsider its decision.

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Notably, the ORS made the same recommendation in its audit report in Piedmont Natural Gas Company's RSA proceeding in Docket No. 2018-7-G. However, the recommendation was not included in the Settlement Agreement in that docket, and there, as here, the Commission excluded the recommendation from its final order. The ORS did not seek reconsideration or clarification in that docket to include the recommendation. That it seeks to do so here plainly demonstrates that ORS seeks to implement a different standard for SCE&G than it does for other utilities.

Based on the foregoing, the Company requests that the Commission deny ORS's Petition.

If you have any questions, please advise.

Very truly yours,



Matthew W. Gissendanner

MWG/kms
Enclosures

cc: **Dawn Hipp**
Jeffery M. Nelson, Esquire
Jenny R. Pittman, Esquire
(both via electronic mail and U.S. First Class Mail w/enclosures)